

10 October 1957

**ONR CONTRIBUTION TO THE SEMI-ANNUAL REPORT  
TO THE PRESIDENT'S BOARD OF CONSULTANTS  
ON FOREIGN INTELLIGENCE ACTIVITIES**

**I. Economic and Geographic Intelligence Production**

- A. Economic - A considerable research effort has been devoted in the past few months to an analysis of factors causing the apparent general slowdown of economic growth in the principal Sino-Soviet Bloc countries and the associated economic policy problems of the Bloc (including the suspension of the USSR's Sixth Five Year Plan). This research on the Soviet economy will be particularly important for the upcoming National Intelligence Estimate of Soviet capabilities. Current economic developments in several of the European Satellites are being analyzed in reports now in process, and China's economic status and critical population problem will be covered in ONR's contribution to the forthcoming NIE on Communist China. Further progress has been made on measuring the size, growth, and structure of the economies of the Bloc. The research has been aided considerably by the publication of economic and statistical data by the major Bloc countries.

Research on the economic aspects of Bloc military programs has increased our knowledge in several fields, and particularly of Soviet heavy bomber production and the Soviet ammunition industry (both ~~and Soviet military~~ ~~manpower~~). It is anticipated that a current economic analysis of the surface to air missile system surrounding Moscow will permit more accurate measurement of the allocation of economic resources to date, and a projection of future allocations if the system is extended to other major Soviet cities.

Intelligence coverage of the Bloc's economic penetration activities in underdeveloped areas during the reporting period included: contributions and support to several National Intelligence Estimates on Free World countries; support to coordinated periodical publications of the Economic Intelligence Committee; preparation, in conjunction with the Department of State, of the first quarterly report to the Council on Foreign Economic Policy; and increased support to Country Progress Reports of the Operations Coordinating Board.

Economic intelligence in direct support of recent and current reviews of United States Economic Defense policy included: an analysis of the economic consequences of the abolition of multilateral China differential trade controls and a number of commodity and technological studies related to the trade control lists. A unique requirement of ED/P resulted in a series of special papers for use as counter-propaganda in connection with the Soviet celebration of the 40th anniversary of the Bolshevik Revolution.

- B. Geographic - Geographic research has continued to focus on the production of unconventional warfare feasibility studies in accordance with terms of reference fully coordinated with other interested agencies. Intelligence support covering Soviet activities and intentions in Antarctica were furnished to the National Security Council and the NSC Planning Board for use in the formulation of a revised U.S. Antarctic policy. Similar support was furnished to the Operations Coordinating Board and its Working Group on Antarctica in the implementation of NSC 5715/1.

A study on the Petroleum Situation in Latin America highlighted the current picture in petroleum-rich areas, with details on production and refinery capabilities.

Continued study of Soviet geodetic and gravimetric capabilities has provided useful contributions to analyses of Soviet guided-missile activity. Analysis of geographic factors affecting the selection of Guided Missile ranges in the USSR, the selection and analysis of possible observation points for surveillance of the nuclear testing site in the Semipalatinsk area, and analysis of geographic factors associated with Soviet atomic and guided missile installations, were among other geographic research activities.

## II. Major Intelligence Gaps

- A. Economic Intelligence - As previously reported, serious deficiencies in direct information on Bloc military programs and expenditures still persist, necessitating a continuation of indirect methods of analysis and estimation.

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Major gaps remain in knowledge of Bloc production of electronic goods, particularly for military purposes such as air defense and guided missiles. Direct information is also lacking in other fields connected with military programs and expenditures. While information on Soviet military manpower remains inadequate, recent analyses of population trends and of the Soviet labor force tend to confirm announced Soviet reductions in military manpower.

- B. Geographic Intelligence - The lack of modern, large-scale, topographic map coverage and geodetic data on the USSR, previously reported, continues to be a most serious intelligence gap. The supposedly completed Soviet 1:100,000 map series is a prime target for all U.S. collectors. There is a gradual contraction of overt opportunity for the collection of geographic data in Near Eastern and African countries. It is apparent that a more intensive coordinated collection program is needed today for the Near East and Africa.

### III. Dissemination and Utilization of GRR Products

- A. Economic Intelligence - Extensive economic and military-economic data on the Soviet Union has been provided for the use of the Security Resources Panel (Gaither Committee) of the Office of Defense Mobilization. Representatives of GRR served in an advisory capacity to the House Subcommittee on Foreign Economic Policy and the Staff of the Joint Economic Committee in the preparation of their report, "Soviet Economic Growth: A Comparison with the United States." In addition, as indicated in paragraph I above, direct economic intelligence support on important national security issues was provided to: the Economic Defense Advisory Committee; the President's Council on Foreign Economic Policy; and the Operations Coordinating Board. Among the more notable appreciations of GRR's economic intelligence activities received since 1 May 1957 were commendations from the Chairman of the Joint Atomic Energy Intelligence Committee for assistance in connection with the economic aspects of the Soviet atomic energy program; from the Intelligence Advisor to the President's Special Assistant for Disarmament for a study of the economic effects of postulated curtailments of Soviet military programs; and from the Director of Targets, ACSI/Intelligence, Department of the Air Force, for intelligence support provided in accordance with the recent agreement discussed in the last semi-annual report.
- B. Geographic Intelligence - As indicated in paragraph I above, geographic intelligence on Antarctica was directly utilized by the National Security Council, the NSC Planning Board, and the Operations Coordinating Board.

Continued support was rendered by both economic and geographic intelligence to the clandestine services.

### IV. Guidance to Collectors and Intelligence Collection Activities

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support to the [REDACTED] in its interrogation of German guided missile specialists who have returned from the USSR. Guidance to field collectors [REDACTED] of significance to intelligence, accomplished through distributions of requirements guides, and by visits of [REDACTED] to the field, is improving both the quantity and quality of reporting in fields where major deficiencies in our knowledge of production persist. Recommendations, based on intelligence requirements, have been provided to the IAC Ad Hoc Committee on Exchanges. In several cases, GRR representatives have participated directly in intelligence exploitation of visiting Blue delegations. Significant information on Soviet electronics and telecommunications has been obtained

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commodity field, a new form of intelligence collection guide has been devised which is intended to apprise the field collector of the full scope and significance of CRR's interest in a technical field and to enable the non-specialist to direct more meaningful inquiries to knowledgeable sources.

Contacts between business and professional representatives of the Free World and the Bloc have increased steadily during the period of this report, and have provided useful intelligence information on a number of economic sectors. This source has become increasingly responsive to guidance from intelligence research offices.

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collection guidance to [REDACTED] which provides

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[REDACTED] has recently established a system of priority targets.

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Unclassified publications from the Sino-Soviet Bloc have been increasing both in number and value for intelligence research. U.S. Government capability for exploitation of such materials has been greatly expanded through extensive external contracts and through more careful review of exploitation requirements.

Specialists in communications and civil defense recently completed familiarization tours at the headquarters of the Continental Air Defense Command, the Strategic Air Command and the Federal Civil Defense Agency to improve their understanding of air defense techniques and to investigate the applicability of U.S. analog data to intelligence problems concerning Bloc air defense and civil defense programs.

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to capitalize on the potential for obtaining economic intelligence on the Bloc within that organization.

#### V. Coordination of Economic and Geographic Intelligence

The Economic Intelligence Committee has initiated plans for a survey of professional personnel within the United States Government engaged in economic research of intelligence significance on Bloc and non-Bloc areas. This review will up-date surveys conducted by the EIC in 1953 and will attempt to identify areas of unnecessary duplication as well as areas of inadequate coverage. Conversations are continuing with the Air Force intelligence organization in order to further reduce possible duplication of research activity and to determine how CRR might satisfy certain target intelligence requirements. Continued coordination [REDACTED] exemplified by a number [REDACTED] concluded or planned for the near future in the fields of guided missiles, land armaments, electronics, and shipbuilding. Significant advances were made in the interagency coordination of geographic studies for unconventional warfare planning.

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